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### The Tiny House: An Innovative Solution for Ireland's Housing Crisis

Tiny is the next big thing.

Tiny Houses - typically between 28-35m2 - offer an affordable, sustainable and self-sufficient way of living for people across all income brackets.

The establishment of Tiny House communities across each county in Ireland has the potential to help the government to meet targets across all five pillars outlined for concerted actions in the Rebuilding Ireland Action Plan for Housing and Homelessness.

Communities are popping up across the world, and there are <u>numerous examples of projects</u> using <u>Tiny Houses as a viable way to tackle homelessness</u> and create affordable housing for low-income families, young couples, students and the elderly.

By its very nature, a Tiny House is affordable by design, and the purposeful creation of pocketed Tiny House communities would create an inventory of affordable, sustainable and energy efficient accommodation across the country.

The Tiny House is the most feasible, logical, rapid way to fulfill the needs of those with lower incomes and/or those facing the injustice of homelessness.

While the creation of Tiny House communities is not a panacea to solve affordable housing issues, it should be one aspect that every community has available to them.

This document will first briefly explain what exactly a tiny house is and an overview of the advantages such a build can bring. Second, it will examine how the tiny house concept can help tackle the homeless and housing affordability crises hitting Ireland at present. Finally, the document will look at successful examples from abroad and how the Irish government can make tiny houses a reality in Ireland.

## The Tiny House

### What is a Tiny House?

The features of a Tiny House greatly vary from owner to owner, but a typical tiny home is around 28-35m2 and usually consists of a great room that combines both kitchen and living room to maximize space.

Sleeping lofts are another common feature in Tiny Houses because they convert otherwise unused vertical space into livable quarters.

Even though tiny homes take less time to build than regular homes, more permanent tiny houses are designed to last at least 100 years, the same amount of time as regular houses.

The interior design of a Tiny House also employs convertible couches, foldaway tables, and clever shelving solutions that solve storage issues.

Efficient design and quality craftsmanship are a trend in Tiny Houses because owners want to increase the utility of their space without sacrificing comfort.

The Tiny House is a legitimate housing alternative for many Irish people, and can build a stronger ecological ethic as well as stronger community values.

Through its small space, the tiny home challenges owners to reconsider how they value physical goods, personal relationships and the environment, all while providing greater economic freedom.

Tiny Houses offer several other advantages, such as affordability, sustainability and energy efficiency, all of which are discussed below in more detail.

#### Lower Financial Cost of Building a Tiny House

One of the main incentives for living tiny is saving money. Most Tiny Houses are built to high-energy efficiency standards for well below €40,000.

Even at the upper end of the estimated cost of a more luxury tiny house, the cost is a fraction of the average price of a three-bed semi-detached in Dublin city which now stands at  $\pounds$ 414,500, an increase of 14.1 per cent over the past year.

And prices are set to keep rising, going up 10.7 per cent in the 12 months to the end of February, <u>according to the Central Statistics Office (CSO)</u>.

In May 2017, the stockbroker Goodbody forecast that <u>house prices are set to grow by 10 per</u> <u>cent</u> this year due to a greater-than-expected housing demand.

Recognizing the situation, the International Monetary Fund has called for a "close monitoring" of the continuing sharp rise in Irish property prices.

According to the <u>2016</u> <u>CSO</u> <u>Yearbook</u>, the average full-time wage in Ireland is €45,075. Although difficult to find a comprehensive analysis of median income – which offers a much more accurate indication of income levels - Paul Sweeney of TASC estimates that <u>median</u> gross earnings for full-time workers was only €32,000 in 2015.

It is not surprising then that the average Irish person spends a significant percentage of their monthly income on housing. It is now estimated that first-time-buyer couples in Dublin were paying 27.4 per cent of their net income to service their mortgage in May. This is expected to rise to 29.2 per cent by the end of the year.

The newly released <u>EBS-DKM</u> <u>Affordability</u> <u>Index on affordability for First Time Buyers</u> indicates that soaring house prices are pushing the cost of mortgage repayments for first-time buyers to Celtic Tiger levels in Dublin and surrounding counties.

For example, Kildare is now one of five counties where a buyer <u>needs 20-26 percent of their</u> <u>disposable income to fund a mortgage.</u>

<u>The Housing Agency has found that</u> house prices in Ireland are unaffordable with the median house price 3.4 times the median gross annual household income.

It is then not surprising that the OECD ranks Ireland 19<sup>th</sup> out of its 35 member countries in terms of disposable income, with Ireland sitting almost 25 per cent below the OECD average.

In general, there appears to be a complete disconnect between the buying power of potential homeowners and the affordability of homes in Ireland.

Facing a much less affordable housing market and staggering rents in Dublin and increasingly in commuter belts and towns and cities across Ireland, the Irish people need an alternative option to a mortgage-burdened lifestyle. The Tiny House can offer this.

### Sustainability, Efficiency and Minimal Environmental Impact

According to the CSO, the average floor area of an Irish house was 173m2 at the start of 2017, a significant increase from the average of 105m2 at the end of the 1970s.

This is despite the average household size <u>falling from 3.73 in 1979</u> to <u>2.75 persons in 2017</u>.

In contrast, the typical tiny home is around 28-35m2. While this may appear very small, it is worth considering that almost 10 per cent of the Irish population currently lives in accommodation with less than 1 room per person.

Aside from the obvious advantages in terms of cost and build time, the tiny house also offers advantages in terms of energy efficiency, lower overall energy use and a much lesser impact on the surrounding environment.

The structure of a tiny house is extremely efficient due to its small surface area. A smaller living space means lower energy use because there are fewer lights, less space to heat, and fewer appliances than in the average Irish home.

The smaller area means that tiny houses can be powered and heated entirely by renewables, namely solar photovoltaic (PV), solar thermal and small woody biomass stoves.

Many tiny houses are also entirely off-grid using battery storage, or are connected to the grid so as to export excess electricity back to the grid, which is advantageous to the already stressed national grid system.

Alongside efficiency, the Tiny House fosters a more sustainable lifestyle and encourages a more engaged relationship with consumption and waste. One of the main advantages behind the Tiny House is that it encourages the owner to lead a more minimalist life.

The Celtic Tiger era saw a climb in Irish house size and the development of a culture of consumption for the sake of status that still pervades contemporary Irish society today with little regard for the impact on community or the environment.

Tiny House owners must constantly pay attention to the quantity of goods and excess in their lifestyles, forcing the owner to constrict how much they consume and recognize that more material goods are often a burden.

## How the Tiny House can work for Government

Earlier this year, <u>former Housing Minister Simon Coveney said</u> that the solution to rising house prices was to "dramatically increase supply", while the <u>Housing Agency recently set</u> <u>out the need</u> to adjust the Irish housing stock to cater for the needs of an the increase in smaller household sizes across the country.

Tiny house communities can help meet both these needs, while also bringing several other advantages, including tackling the homelessness crisis. The main advantages are set out below.

### Tiny Houses as a Secondary Dwelling Unit to Create Affordable Accommodation

Planners in the US call them Accessory Dwelling Units or ADUs.

An ADU is a small, self-contained residential structure sharing a lot with an existing house. The development of ADUs can be traced back to the early twentieth century, when they were a common feature in single-family housing in the US to provide a home for elderly members of the family in a familiar and accessible location.

But here's what they can offer to Ireland: an instant source of affordable housing.

Under this system, homeowners can build and rent out the tiny house at an affordable rate. Alternatively, the homeowner can decide to live in the tiny house and rent out their primary larger residence at a controlled, affordable cost for low-income families.

You could have hundreds of tiny homes as second dwelling units that are affordable. It is one of the quickest and cheapest ways of providing housing through the private market. In this way, you are also increasing the landlord base, and ensuring that housing stock is not controlled by a handful of developer-led projects.

What is also unique with tiny homes as ADUs is that their are no costs to the State per-say as utilities such as water, sewer, electricity and gas is already set up for the main house.

In July 2017, Minister for Housing Eoghan Murphy, TD <u>approved the construction</u> of 70 rapid delivery houses at three locations in Dublin at a projected cost of €15.3million for this project. While a welcome move, it is not expected to happen quickly enough to meet current demand based on the failure of the previous modular housing scheme.

To date, <u>only 22 out of 1,500 pledged 'rapid built' modular units</u> announced in December 2015 under the Implementation Plan on the State's Response to Homelessness have been completed.

Clearly, at present, we are not able to build affordable accommodation at scale in any community in Ireland. And even if we were to do so, it would not be possible without major subsidies from the State or local authorities.

The tiny house as an ADU would quickly address affordable housing issues in Ireland, as well as providing housing for students, retirees and young adults who want to buy their first home but cannot afford it.

There are <u>now over 450,000 persons</u> aged 18 and over - 40 per cent of whom are in employment - living with their parents, however, moving out of home is simply out of reach for them due to spiraling rents and soaring house prices.

If even a fraction of this figure were able to move into an ADU, this would lead to a sharp increase in income for local authorities through the likes of property tax.

Adding new homes in potentially underused backyard spaces is also a sustainable way to provide more housing options in urban neighborhoods. This would help address urban sprawl by reducing the need for cities to grow outwards, decreasing commuting distances and transportation pollution.

The ADU concept is working very successfully across North America, with just a handful of examples presented below.

In 2015, California's fifth largest city, Fresno, became the <u>first large city in the US to define</u> and <u>allow Tiny Houses in its local codes for use as a second dwelling</u> to address affordable housing issues in the city, as well as providing housing for students and retirees.

A similar system has been <u>successfully developed</u> in <u>Vancouver</u>. <u>Canada</u> where ADUs have been legal for years and the city is now issuing building permits for 500 new units each year.

In 2014, the <u>San Francisco Board of Supervisors approved</u> two significant pieces of legislation that support ADUs in the city.

Earlier this year, California <u>passed a new state law</u> to increase affordable housing by making it easier to build accessory units, to include tiny houses.

In <u>Orange County, California</u> an additional ruling allows for family members to live permanently in a tiny house, while maintaining the single-family character of the primary single-family dwelling unit and the neighborhood.

### Pocket Communities for the Homeless

The shocking media reporting of the death of several homeless individuals on the streets of Dublin has brought the issue front and centre of the public consciousness; however, the crisis has been building for some time.

In August 2017, the Central Statistics Office indicates a huge increase in the level of homelessness, with the figure now at almost 7,000 people, up from 3,744 just five years ago.

The <u>Housing Minister recently said</u> that the housing and homeless crisis will not be resolved by the 2021 deadline in the Government's Rebuilding Ireland plans.

As well as the need to tackle the homeless crisis from a moral standpoint, the data is clear that housing the homeless can save the State and local authorities in medical, legal, and social service expenses.

For example,  $\underbrace{\&39 \text{ million was spent last year}}_{\text{hotels and B&Bs.}}$  Another  $\underbrace{\&9.9 \text{ million was spent on other private emergency}}_{\text{spent on other private emergency}}$ 

accommodation, meaning it's now costing almost €50 million a year to house homeless families in Dublin alone.

Pocketed tiny house communities for the homeless can offer a short, medium and long-term solution to the problem, with various successful examples coming from the US.

In 2016, the U.S. Department of Housing and Urban Development (HUD) Office tasked the top ranked public policy analysis program at U.C. Berkeley's School of Public Policy with evaluating the feasibility of using tiny home villages to address affordable housing shortages.

The <u>report found that</u> "tiny homes are a feasible, cost effective option to house... homeless and marginally housed populations" and that tiny house villages will create "communal support, benefitting residents' likelihood of long-term housing, employment, and contentment".

There are already <u>numerous projects across the USA</u> using tiny homes as housing for the homeless, such as Dignity Village in Portland, Oregon, OM Village in Madison, Wisconsin, and Community First Village in Austin, Texas. These villages are consistently at full occupancy, and some even have a waitlist of individuals wanting to live there.

Below are some examples:

1. <u>Second Wind Cottages</u>, New York

A tiny-house village set up for or the chronically homeless in the town of Newfield, N.Y., outside of Ithaca. Second Wind is truly affordable, built by volunteers on seven acres of land. The retail cost of the materials to build the first six houses was between \$10,000 and \$12,000 per house.

2. <u>Community First Village</u>, Austin, Texas

Community First Village is a 27-acre planned community that provides affordable, permanent housing - 125 tiny homes - and a supportive community for the disabled, chronically homeless in Central Texas.

Video: https://goo.gl/2LbR2b

3. Camp Quixote, Olympia, Washington

The 30 structures that make up Quixote Village are home to 29 disabled adults whom qualify as "chronically homeless" by the standards of the U.S. Department of Housing and Urban Development.

The village is a publically subsidized permanent project, and contains 30 tiny cottages on a two-acre site. Each 14m2 home has a half bath, closet, front porch, and garden area.

The village also includes a community center with extensive shared space that includes lockers for storage, a laundry room, and large kitchen. The village employs a full-time program manager and a full time residential advocate.

4. San Jose, California

In January 2017, San Jose became the first Californian city <u>to create tiny homes for the</u> <u>homeless by bypassing the state's confining building codes</u>.

The new regulation allows the city to temporarily suspend state building codes for the purpose of building "unconventional" housing structures, which includes tiny homes.

City housing officials and advocates for the homeless call the new legislation a "game-changer" in the fight to solve one of the Silicon Valley's most intractable problems.

## What the Irish Government can do

There are several steps that the Irish government can take to make tiny house communities a reality across Ireland, namely:

1. Adjusting minimum dwelling sizes

At present, there is a target minimum Floor Area for a one bedroom Dwelling Houses of 44m2 as set out in the <u>Quality Housing for Sustainable Communities</u> document, which sets out the fundamentals of the Government's vision for housing in the coming years.

Local authorities also have the right to set out target minimum dwelling sizes. In Kildare, for example, a one bedroom must "have regard to" the minimum floor area of 55m2.

Installing national guidelines for a minimum dwelling size to allow for tiny would quickly provide affordable, and sustainable housing choices to thousands of people across Ireland.

2. Streamline the permitting process for Tiny Houses by offering simple, economical, pre-approved plans for purchase by prospective homeowners.

The Government can include Tiny Houses in the definition of an accessory dwelling unit, provided the house has adequate insulation for year-round living, proper sanitation and heating.

The Government can create a rapid approval process for tiny house communities and/or as accessory dwelling units. This will allow for a steady supply of affordable accommodation in a relatively short period of time.

The Government can also create an easy-to-follow guide, from applying for the initial permit to obtaining the occupancy certificate and publish it on the Housing Department's website.

3. Mark older neighborhoods as good candidates for these zones.

The Government can determine zones that already have many small, low-rise housing builds and where there is little likelihood of building high-rise complexes.

The Government can then also create zones that allow an accessory dwelling unit in the backyard of an established home

4. In newer communities, require pocket neighborhoods of tiny homes

In new residential developments, the Government could stipulate a requirement for the provision of tiny houses as part of - or separate from - social housing unit quotas.

# Sample of International Tiny House Legislation

The below section provides links to example of Tiny House-related legislation brought tin successfully in other countries.

Such information should provide a base for the development of an Irish Tiny House code.

1. Living Tiny Legally: <u>https://goo.gl/XcsPu5</u>

Living Tiny Legally is an educational documentary that looks in-depth at how a handful of cities from all over the US are making legal tiny housing a reality via innovative zoning.

2. Tiny House Appendix in International Residential Code (IRC): <u>https://goo.gl/AzKqc7</u>

The US International Residential Code (IRC) – a residential code that creates minimum regulations for one- and two-family dwellings of three stories or less – was amended in 2017 to be tiny house friendly for homes on foundations.

3. Ordinance 1092 of Walsenburg, Colorado: <u>https://goo.gl/qttyzg</u>

This ordinance provides a clear definition of a tiny home and minimum square footage: <u>http://americantinyhouseassociation.org/wp-content/uploads/2016/08/Walsenburg-Colora</u> <u>do-Ordinance-No.-1092.pdf</u>

4. Accessory Dwelling Unit (ADU)

There are several good examples from the US and Canada, including:

- California state: <u>https://goo.gl/ZXpnFb</u>
- Fresno City, California: <u>https://goo.gl/j1fjD7</u>
- Orange County, California: <u>https://goo.gl/YoCP27</u>
- Ojai, California: <u>https://goo.gl/m6KWC9</u>
- Vancouver, Canada: <u>https://goo.gl/AFz1ku</u>
- 5. Tiny House Community, Rockledge, Florida: https://goo.gl/M9wazG
- 6. Other Documents

Minnesota Tiny House fact sheet: <u>https://goo.gl/nEZCG2</u>

Albuquerque Planning Department Building Safety Division guidelines: <u>https://goo.gl/n9jjVe</u>

Building Together. Tiny House Villages for the Homeless: A Comparative Case Study: <u>https://goo.gl/FqPpOZ</u>

Study conducted by U.C. Berkeley's School of Public Policy for the U.S. Department of Housing and Urban Development (HUD) Portland, Oregon Field Office: <u>https://goo.gl/snZWFu</u>